

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

---

May 2, 2005

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor

FROM: Wayne H. Western, Co-Team Lead

RE: Gob Gas Vent Hole Supplemental Information, Andalex Resources, Inc., Centennial Project, C/007/0019, Task ID #2161 (2)

### **SUMMARY:**

On February 27, 2005, the Division received Task 2161, which involved gob borehole number 1 at the Centennial Project. On March 10, 2005, the Division granted emergency approval for GOV #1. Later the Division granted approval for GOV #5 and GOV # 6. This memo deals with GOV #2, the Permittee needs with hole because GOV #1 was insufficient to dilute the methane.

---

TECHNICAL MEMO

---

**TECHNICAL ANALYSIS:**

## **RECLAMATION PLAN**

### **BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**Analysis:**

#### **Determination of Bond Amount**

The current bond amount for the Centennial Project is \$1,080,839. The Division last updated the reclamation cost estimate as part of Task 2119 in 2004.

The Division reviewed the bond information relevant to task 2161. The Permittee did not include specific information about reclamation costs. Since the amount of disturbance is small, the Division calculated the reclamation cost based on the following assumptions:

- One acre would be disturbed. This is consistent with the information in the operation section of the amendment.
- 5,000 cubic yards of material would be disturbed.
- An additional 1,600 cubic yards of topsoil would be spread over the site. Based on the assumption that there is 1 foot of topsoil and all the area would be disturbed.
- The revegetation methods would be similar to those at the mine site.
- Reclamation would include plugging the well and removal of equipment.

The Division determined in May 2005, that the reclamation cost for the Centennial Project would be \$1,172,000 in 2009 dollars. The current bond is for \$1,080,839 and is inadequate.

Because the Permittee needs to drill the gob vent hole as soon as possible and the percent of the bond increase is 7.8%, the Division should conditionally approve the amendment. The two conditions are:

- The Permittee post a bond of no less than \$1,172,000,
- The Permittee update the bond calculations in the MRP.

**Findings:**

The information provided does adequately addresses the minimum requirements of the Reclamation Plan – Bonding and Insurance Requirements section of the regulations.

**RECOMMENDATIONS:**

The Division should approve the amendment on the condition that the Permittee increase the bond to \$1,172,000 and that the Permittee update the bond calculations in the MRP.